

FLINT PLUMBING AND PIPEFITTING FRINGE BENEFIT FUNDS

Flint Plumbing & Pipefitting Industry Health Care Fund
 Flint Plumbing & Pipefitting Industry Pension Fund
 Flint Plumbing & Pipefitting Industry Defined Contribution Plan
 Scholarship Fund of Flint Plumbing & Pipefitting Industry
 Supplemental Unemployment & Disability Plan of Local Union 370

Managed for the Trustees by:
 TIC International Corporation

December 2011

To: Flint Plumbing & Pipefitting Industry Health Care Fund Eligible Member

Re: A Reminder about Your Prescription Drug Benefits: Top 5 Questions

Dear Eligible Member,

As discussed in prior communications and at the member seminar on October 11th, beginning November 1st, 2011 there were changes to your prescription drug benefits. We've assembled this letter indicating the Top 5 Questions members had relating to the prescription drugs.

QUESTION #1

When and how did my benefits change?

Your benefits changed effective November 1st, 2011. Below is a brief description of the recent changes:

	Old Benefit Prior to 11/1/2011	New Benefit Effective 11/1/2011
Rx Copays (In- Network)	\$15 generic \$25 brand <u>Includes:</u> Mail order at 1 copay No contraceptives	\$10 generic \$30 formulary brand \$60 non-formulary brand <u>Includes:</u> 90 day Mail Order at 2 Copays 90 day supply at Retail Contraceptives

Helpful Definitions:

- **\$10 Copay: Generic** – A medication that has the same active ingredients, is available in the same strength and dosage form, and is administered the same way as its equivalent brand-name drug. Generics are usually less costly than brand-name equivalents.

- **\$30 Copay: Formulary Brand** – Prescription drugs that are listed in BCBSM’s list of FDA-approved medications and are covered by your plan subject to applicable limits and conditions. “Brand” means that the drug is still under patent and is not yet available in generic form.
- **\$60 Copay: Non-Formulary Brand** – Medications that are not included in BCBSM’s formulary. “Brand” means that the drug is still under patent and is not yet available in generic form.

QUESTION #2

Why did the Fund make these changes?

Over the past three years prescription medications have cost the Fund \$2.5 million and the cost of medications continues to rise. Based on our current utilization, projected costs for the current year are over \$1 million. The increase can be attributed to medical technology, specialty medications, inflation, and utilization. Prescription drug costs account for 28% of our annual health benefits paid. A three tier copay schedule helps educate and encourage members on the benefits of generic medications or lower cost alternative therapies.

QUESTION #3

I take a medication that is non-formulary brand. Can I avoid paying \$60 for my medication?

Yes. If you are at the pharmacy and are charged a \$60 copay this means your medications is non-formulary brand. In most cases you can reduce your drug costs. The first step is to discuss your options with your pharmacist and/or physician. Your pharmacist can suggest lower cost alternatives and many times will work with your physician directly to get a new prescription if the lower cost option is appropriate. Explore your options before you leave the pharmacy!

If you want to check your current prescription medications, you can view the entire BCBSM Custom Formulary list by going to www.bcbsm.com, and clicking on the *Member* tab towards the right of the homepage. You can either log in if you have established an account or click *More*. On the left of the next screen click *Prescription Drugs*. It will provide several options – click *Approved Drug Lists* and then *Custom Formulary*. By clicking *Download Custom Formulary* you will be able to view the entire list of drugs.

QUESTION #4

Who should I call with questions or concerns about my medical and/or prescription benefits?

If you have questions about your drug coverage you can call 1-877-790-2583 and speak with a Blue Cross Blue Shield of Michigan (BCBSM) customer service representative. You should have also received a Custom Formulary Quick Guide in the mail. The Quick Guide does not contain every drug; it only contains the most commonly prescribed drugs.

In the complete formulary, drugs are classified as Formulary Preferred (\$10 copay), Formulary Options (\$30 copay), or Non-Formulary (\$60 copay). Any drug listed as Non-Formulary will either have a direct generic available or a therapeutic alternative available at a lower cost.

Here are some examples of Non-Formulary drugs that do not have a generic equivalent, but have a therapeutic alternative:

Medications without Generic Available	30 day Supply Average Cost	Member Copay	Fund Responsibility
Nexium	\$203.00	\$60.00	\$143.00
Lower Cost Alternatives:			
Omeprazole	\$15.80	\$10.00	\$5.80
Pantoprazole	\$14.10	\$10.00	\$4.10
Lansoprazole	\$70.20	\$10.00	\$60.20
Nasonex	\$227.00	\$60.00	\$167.00
Lower Cost Alternatives:			
Fluticasone	\$50.84	\$10.00	\$40.84
Flunisolide	\$109.00	\$10.00	\$99.00
Nasacort AQ	\$186.00	\$30.00	\$156.00
Oxycontin	\$460.36	\$60.00	\$400.36
Lower Cost Alternatives:			
Oxycodone	\$18.52	\$10.00	\$8.52
Morphine	\$77.68	\$10.00	\$67.68
Hydromorphone	\$31.72	\$10.00	\$21.72
Fentanyl Citrate	\$75.45	\$10.00	\$65.45

QUESTION #5

Will these new copays stabilize the Fund's cost, and can we avoid future prescription adjustments?

We hope so. Unfortunately, it is anticipated prescription drug costs will continue to rise due to member usage, advancements, inflation, and the continued introduction of new specialty medications. Specialty medications are used to treat serious conditions and on average cost \$1,500 per prescription per month. The change to the triple tier copay schedule should help shift members' usage of many high-cost medications to lower-cost alternatives and avoid unnecessary spending.

Again, this is just a reminder of your prescription benefits that went into effect on November 1st, 2011. There have not been any additional changes. Should you have any questions or concerns relating to your prescription drug benefit, please be sure to contact BCBSM at 1-877-790-2583.

Sincerely,

Flint Plumbing & Pipefitting Industry Insurance Fund
Board of Trustees